Speech of DR. JOHN MATTHAI
introducing the Railway Budget
for 1948-49, on 24th February 1948.

Mr. Speaker,

It is now hardly three months, since I had the honour of introducing the Interim Railway Budget and the House will therefore appreciate that there is not much that is new that I can tell them today regarding the working and the administration of our railways. There is not much in the circumstances that I can add to what I said then regarding the problems and the difficulties by which the railways are faced and the endeavors that we are making to meet these problems and these difficulties. My task therefore this evening is a simpler one, and I propose therefore to take the straight-forward course of dealing first of all with the budgetary position and then having done that to give the House a few indications of the directions in which things have altered either for better or for worse since I spoke to the House last time. I do not want in explaining the budgetary position to weary the House with many financial and statistical details because for one thing, Honorable Members will be able to get these details from the explanatory memorandum, copies of which will be in their hands before the House rises: and also it is my experience, as a legislator for a brief period, and as a frequent visitor to the House long ago, that a budget speech which is packed with details has invariably the effect of making honourable members groan almost visibly. I want to avoid that tonight and I propose therefore to give only a brief summary of the financial position of the railways today.

I will take first of all the budgetary position as disclosed in our figures relating to the 7½ months since the 15th August, We placed certain budget estimates before the House for that period, beginning the 15th August. I want briefly to tell the House how these budget estimates have been revised in the light of actual experience. The House will find that there are considerable discrepancies between the budget estimates and the revised estimates. That is inevitable in the position in which we are placed at present. We had to frame budget estimates in the first place for a divided India, based upon our experience of an undivided India. In the second place, we had to frame estimates for a broken period, based upon our experience for a whole previous year, and it is a very difficult matter in actual practice to make allowance for those seasonal variations which occur between one period and another in the course of a year. And another circumstance which placed us at a disadvantage in framing these budget estimates last year was that we were then right in the thick of the period of civil disturbances and refugee movements, and these had caused such a degree of dislocation in our finances and in our general administration, that it was difficult to forecast the probable trend of earnings. It was difficult even to determine the current trends. As the result of these various elements of uncertainty, the House will find that our revised estimates vary somewhat considerably from our budget estimates.

I will give the main figures. The revised estimates for the 7½ months ending 31st March 1948 show a fall in earnings of about 8 crores as compared with the budget estimates. That fall in earnings occurs under goods earnings and under passenger earnings. But there is one item of earnings under which there is an increase, and that is what is called "Other coaching" earnings. What these earnings mean is briefly this: There is a considerable amount of parcels traffic now as the result of the congestion in goods traffic. That is to say, when you cannot send a thing by goods train, then you try to send it by a parcel train, even though it costs more. Parcel traffic therefore shows an increase. Then there was considerable amount of military movement as the result of demobilization and of movement of troops in connection with the disturbances.

Our earnings under goods according to the budget estimates were 57.23 crores, while according to our revised estimates they have come down to 53.38. Our passenger earnings according to budget estimates were 52.12, which have come down in the revised estimates to 45.28. Other Coaching earnings, which we estimated at 5.30, have gone up to 7.87. The net result is a drop of 8 crores. As against that there is also a drop in our ordinary working expenses. We estimated that our ordinary working expenses would be somewhere about 99 crores, while revised estimates show that our expenses have been 93.55. I should like to flatter myself that this fall in working expenses indicates that we have been able to do with less expenditure. The position is not quite so gratifying as that. What really has happened is that the expenditure that we estimated for the year 1947-48 could not for various reasons be incurred before the end of that year, and the expenditure therefore has not been reduced but has been only postponed.

These drops in earnings and in working expenses have resulted in an increase in the net loss that we estimated from 2.7 crores to 5.2 crores and the result of that increase in the net loss is that we have had to make larger withdrawals from our Reserve Fund. And the Reserve Fund, therefore, in March 1948 will stand at a figure of Rs. 3.8 crores. That briefly summarises the position as regards the current year.

Now with regard to the year 1948-49, the Budget year. There again we are faced with several elements of uncertainty, which prevent us from making any thing like accurate forecasts. The year 1948-49 is a complete year. The usual practice, as the House knows, is that in framing Budget Estimates for the coming year you rely mainly upon the basis of your revised earnings for the current year. The revised earnings for the current year represent a broken period, and on the basis of that broken period you have to frame your estimates for a whole year-a necessarily difficult process. Then, although we have now come to the end of the more serious phase of the civil disturbances which have, occurred since Partition, we are still much too near this period of disturbances to be able to determine with any degree of reasonable precision either the current trends or the probable trends in the coming year.

Such estimates as we have been able to make, the best informed and the most intelligent estimates that my advisers have been able to make, give us these figures. We expect that in 1948-49 the gross traffic proceeds would be Rs. 190 crores. As against that we estimate that the ordinary working expenses would be Rs. 147.15 crores. To that you have to add depreciation, which, as the House knows, is calculated at present at 1/60th of the capital at charge of the Railways at the end of the current year. The capital at charge is some-where of the order of Rs. 678 crores and 1/60th of that would give you Rs. 11.18 crores. Then there is the payment that we have to make to lines that we work on behalf of outside concerns, their share of the traffic receipts, which would come to Rs. 1.45 crores.

Deducting working expenses, depreciation and payment to worked lines; we are left with a net traffic receipt of Rs. 30.22 crores. To that you have to add various miscellaneous proceeds-a very wide range of them. After deducting the charges, which are appropriate to these miscellaneous receipts, you get a net revenue from this source of Rs. 2.16 crores. Altogether, therefore, in 1948-49 we expect to have a net revenue of Rs. 32.38 crores. From that you have to deduct the interest which is payable to Government for the money borrowed by the Railways. That has been calculated at a rate of 3.25 per cent, which represents the weighted average rate of interest payable on the different classes of Government's borrowings. That, on the average capital at charge which we expect during 1948-49, somewhere about Rs. 690 crores, will give us altogether a liability on account of interest charges of Rs. 22.53 crores. Deducting Rs. 22 53 from the total net revenue of Rs. 32.38 crores, we are left with a net surplus for 1948-49 of Rs. 9.85 crores.

The House will be relieved to know that it is not my intention on this occasion to propose any increases in fares and freights. Probably the only redeeming feature of my Budget is that I do not propose on this occasion to pursue this evil tradition.

The question arises: what is to be done with this net surplus of Rs. 9.85 crores which we expect for the year 1948-49? First of all, there is the question of the contribution payable by the Railways to General Revenues. That question at present is determined by a Resolution which the Legislature passed in 1943, which practically lays down that the contribution to General Revenues is to be fixed with reference to the requirements of the Railways and of General Revenues in each particular year. We have for many reasons considered it advisable and satisfactory that this question should be entrusted for decision to a Committee composed of honorable members of this House. A Committee has therefore been appointed consisting of three members of the Standing Finance Committee and three members of the Railway Standing Finance Committee, under a Chairman having the authority and the judgment of no less a person than the Honourable Speaker of the House. Pending the receipt of the findings of this Committee, Government do not propose to make any allocations out of the surplus. When the findings of this Committee have been received and Government have been able to arrive at their decision upon these findings, then in the ordinary course proposals will be made before this House for the necessary appropriations. That, Sir, brings me to an end as regards what I wish to say about the financial position of the Railways.

Now I will go on to a more general question, the question, I take it, in which the House is most deeply interested, and that is the question of the prospects of traffic movement on our Railways in the future. When I presented my Budget Statement to the House last November, I told the House that the circumstances with which the Railways were faced were more difficult than any that I had anticipated in my most pessimistic moments. What I am inclined to say today looking at the trend of things is that probably we have reached a stage where the steady process of deterioration which began with the Partition and the consequences that flowed from Partition, has now been definitely checked. From such evidence as I have been able to see, I believe we have now reached a stage when I could say with a certain degree of assurance that we have turned the corner. This does not mean that there is any striking and decided improvement that I can report. What it means is that we have reached a stage where we can go forward expecting steady progress. I do not anticipate that we shall be called upon to retrace our steps or to look back.

What exactly are the reasons, which lead me to make this statement to the House? I want, first of all, to deal with the immediate future that is to say, the next few months. Firstly, there is this very obvious fact that we have come to the end of the period of serious civil disturbances. We have come to the end of the

period of these vast refugee movements. The House will remember that altogether during a period of two and a half months the Railways were called upon to move as many as 3 million refugees, which represents the capacity of a thousand passenger trains. That was a terrible strain on the Railways and we have now come to the end of that period of strain.

Secondly, I told the House last November that one of the problems we are faced with - have been faced with since the end of the war - is the large diversion of traffic which has occurred as the result of various war developments. A large volume of traffic is now moving along routes which are not equipped for dealing with this large amount of traffic and I said therefore that it would be necessary for us to consider the question of improving and extending our marshalling yards, that is to say, those yards where you distribute wagons with reference to their ultimate destination. These marshalling yards, at the points where heavy traffic occurs, are not today equipped sufficiently to cope with this growing volume of traffic. Now, pending a large extension of our marshalling yards, what we have been doing in order to meet the present crisis is to set up an arrangement for much more intensive and effective supervision of our marshalling yards. We have also set up a more effective system of control of train movements. And these two factors already are yielding satisfactory results. I will give the House some figures. I will take some of our typical, most important marshalling yards. At Asansol, when I spoke to the House last November, the period for which a wagon was detained in the marshalling yard was 46.6 hours. Today the latest figure that I have is 31.1. At Cawnpore, last October the period of detention was 53.9 hours. Today it is 31.7. At Moradabad it was 39.9 hours. Today it is 22.8. At Ondal which represents the place where most of the coal traffic occurs, it was 22.1 and today it is 18.2. On the whole, taking these representative centres, there is a reduction in the period of detention of somewhere about one-third. The target that we are going to place before the Railways and on which we are going to insist is that no detention should occur in marshalling yards for a period in excess of 24 hours and we are going to see to it that that target is observed.

The next factor that I want to deal with is our workshop position. The importance of that is this. Practically the greater part of our more serious troubles today is due to our locomotive position. The House will remember that I said last time that of the total number of locomotives that we possess today about a third are over-age locomotives which have done their normal period of service and which, if locomotives were available in the world market, would be replaced almost immediately. There are countries in the world like the U.K. for example, where there is a large proportion of over-age locomotives. But they are able to carry on with this large proportion of tired, old locomotives, because they have got effective workshops where in point of spare parts they are not at the disadvantage at which we happen to be. Therefore, the position of our locomotives is very closely bound up with what happens in our workshops.

There are two elements of importance in connection with the workshops. First of all, there is the question of the availability of spare parts. There is secondly the question of labour and the amount of out put that we can expect from labour. I take first of all the question of spare parts. I am glad to be able to report to the House that during the past few months, there has been a perceptible improvement in the delivery of orders of spare parts from the United Kingdom. Secondly, it has been possible for us, with the co-operation of the Defence Ministry, to utilise increasingly the spare capacity for manufacturing these small parts in our Ordnance Factories and a very considerable progress is being made in this direction. Thirdly, as the result of consultations with my Honourable colleague, the Minister for Industry and Supply, we have been able to get some relaxation of the arrangement under which all orders for spare parts for machinery of all kinds is to be placed through the Industry and Supply Department. The formality and the delay that sometimes occur quite necessarily have, to some extent, held up the work done in the workshops by the delay of the arrival of spare parts. As a result of the relaxation I have been able to get from my Honourable colleague, Local Administrations are in a position today to exercise a great deal more initiative in canvassing and investigating the possibility of getting spare parts in local areas. The position will be illustrated by the fact that in 1948 the orders that we have been able to place in India for spare parts show an improvement of nearly 37 per cent over the orders placed in India in 1947. That is as far as spare parts are concerned.

I now come to the question of labour. I have been having the figures carefully examined and I am glad to be able to say that on practically all our principal Railways today there is an improvement in the number of man-days worked in the workshops. We find that on the B.N.R., on the E.I.R., on the S.I.R., on the M.S.M.R. and to some extent on the G.I.P.R.

Now that is a cheering fact, but that is not the whole problem as far as labour is concerned, because it is not merely the question of attendance but it is also the question of the work turned out during the period of attendance. I have had an expert examination made recently in respect of two of our most important workshops and that expert examination has revealed the somewhat depressing fact that the quantum of work which is being done during the normal prescribed period is considerably below what we might reasonably expect. The basis on which this examination is done is this. First of all these people with a very

considerable amount of experience of this class of investigation, determine the amount of standard output which under given conditions may be expected of a labourer and they take the actual amount of work done and between the two, they have noticed there is a very considerable margin.

There are two ways of meeting that problem. First of all, we have to provide administrative devices, which would automatically secure that each labourer renders his full quota of work. There is, secondly, the co-operation to be secured from labour organizations themselves. We are considering the question of administrative devices and as far as co-operation from labour is concerned, I am confident that there the more responsible elements in the labour organization representing the Railways shown a very keen awareness of what is required of them in these circumstances.

Taking the improvement in respect of the availability of spare parts and the improvement in respect of attendance in the workshops, the result of these two factors must necessarily be reflected in the turn-round figures. Turn-round, as the House knows, is the period which a wagon takes to perform a journey and return to take up a fresh traffic. When I spoke last November I said the average period of turn-round of a broad gauge wagon was 48 days. The latest figure that I have is 45.9. On metre gauge lines, the average figure that I gave was 51. Now the latest figure that I have which corresponds to the end of 1947 is 60.7, this shows deterioration, but it requires a certain amount of explanation. One of our biggest metre gauge workshops is Ajmer. At the end of 1947, Honourable members will remember there were very serious disturbances in Ajmer; curfew order had to be imposed and there was a general atmosphere of unsettlement and dislocation. Now if you leave out Ajmer, the average figure for the turn-round of metre gauge wagons comes to 45, as against the figure of 51, which I gave the House last November.

Next I will deal with the difficulties that arose from the transfer and exchange of staff between India and Pakistan. That was a factor, which led to a very great deal of disorganization on the Railways, about 100,000 men being exchanged and settled in new positions in the course of about 2½ months. Now that general dislocation is rapidly disappearing and men are beginning to settle down in their new positions. But one of the most serious difficulties that we had to face was that this transfer resulted on our side in a shortage of essential workers in particular categories. The House will remember that where the most serious difficulty arose on this account was the East Indian Railway in regard to their engine crew, which created, as I said, a first-class national crisis in respect of coal movements.

I told the House that by various means we were able to reduce the shortage, which at first was 47 per cent to 25 per cent in November. My latest figures show the shortages have come down to 9 per cent.

Then I wish to deal with a factor, which has been becoming increasingly important in recent months and that is undue detention of wagons at destinations by our customers, by factories, by trade and sometimes by Government Departments in Provinces and States. I wish to give the House a few illustrations because this is one of the more serious difficulties with which we are faced at present. Take jute. Towards the end of last year in the Cossipore Road area the number of wagons, which were waiting for unloading, was 700 to 800 wagons in excess of the normal figure, which means to that extent the wagons are prevented from doing normal service. At important industrial centres in India such as Dalmianagar, Haripur, Tatanagar, we notice there is an increase of 20 to 25 per cent in the number of wagons waiting to be unloaded in excess of the normal figure. Similarly, with regard to collieries, I find that of the wagons which are supplied to collieries for being loaded with coal, very often a considerable number come back without being loaded, for reasons, which are connected entirely with the colliery position. It may be lack of labour; it may be the inability to get stocks of coal ready in time. The last month, January 1948, for which I have figures shows that altogether 1,375 wagons came back empty without being loaded, which represents in terms of coal about 30,000 tons. I am mentioning these figures in no spirit of criticism, because I am well aware of the difficulties by which trade and industry are faced, in the matter of handling of wagons, but I do think when railway transport is in the difficult position in which it is today, we have a right to ask industry and trade to give us more co-operation.

As against this position the measures that the railways have taken are: We have reduced the free time allowed for demurrage purposes from 9 hours of day light to 6 hours. After that demurrage will be charged. Sundays are to count for demurrage purposes. They will no longer be exempt. We are raising the demurrage fees on some of our Railways like the E. I. Ry. and the B.B. & C.I. and the G.I.P. Railways. A great deal of handling is done by the Railways themselves and we have asked the Railways now and we are going to insist on it that they should set before themselves a target of a maximum of 3 hours for placing a wagon for unloading immediately it arrives at a terminal station, and as I said before, we are going to insist also that the period of detention in marshalling yards should on no account exceed 24 hours.

These various factors, which deal with goods traffic, which in my opinion make for a certain degree of improvement, are reflected in the average figures of turn-round on some of the most congested of our

Railways. Take the G.I.P. When I spoke last time the turn-round of wagons on the G.I.P. Railway was 10.6 days. The latest figure that I have is 9.5, a reduction of 10 per cent. On the E.I. Ry. it was 17.4, and the latest figure is 14.1, a reduction of 20 per cent. And speaking of the E.I.Railway, I want to make a passing reference to the question of coal despatches. I said last time at the beginning of October when we were faced with this great shortage of engine crew, the total number of wagons that we could sent on the E.I. and on the B. N. Railways to the collieries direct was somewhere about 1400.

In November last when I spoke to the House we raised that number to somewhere about 2,600. The latest figure that I have of the total number of wagons despatched from the E.I.R. and the B.N.R; with coal for the week ending the 7th February is 2,900.

I have been speaking of the directions in which a little improvement has occurred as regards the operation of the Railways. Now this operational improvement has been to some extent offset by the disorganisation of traffic, which has been caused by the policy of decontrol. What has happened is this. Take the question of foodgrains. Before we introduced the policy of decontrol, all the more essential movements were sponsored by Government and all movements sponsored by Government were given top priority, they were all grouped in Class 1. When Government decided to reduce their commitments and it became necessary therefore to make it possible for private movements to move more freely, we raised all movements or food-grains on private or trade account from Class 4 to Class 2. The result of that is that in Class 2 in the second grade of priority, today, there is so large a number of indents for wagons that the Railways ate unable to cope with all the demands made on them. It does not mean that the quantum of traffic has come down; what it means is that when you have a large number of indents in respect of commodities all of which are in the same grade of priority and some of them are turned down and others are accepted, naturally there is a great deal of complaint, heart-burning which is what is going on in the country today. I have been giving a great deal of attention to this question, because I realise that unless the Railways are able to meet the situation, the policy of decontrol would be made difficult.

There are two problems that arise. When you allow unregulated movements on private account, you find there is a large number of what we call cross-movements. I have come across a number of cases recently where goods are despatched by traders to a particular destination and immediately on arrival there the goods are rebooked and sent on to another destination which is much nearer the original point of consignment - which means that there is a great wastage of transport. Similarly, when you allow trade in an unregulated manner to move food-grains then sometimes you find that food- grains are sent across to stations which are much too distant from the station of consignment; it might be possible for example for that particular centre; to be supplied with food-grains from a nearer point. These cross-movements and these uneconomic movements are putting a very great strain upon the Railways, Since in the higher grades of priority you have now a large variety of commodities included it looks to me, if we want to maintain the economic stability of the country, it will be necessary for us to take into consideration a programming of movement of essential commodities. In other words, we have got to take up the question, in the circumstances with which we are faced today of determining with reference to priority both the nature and the direction of the traffic. We have got to consider fixation of quotas and regulation by zonal control. I am not going to suggest for a moment that we are going to do this immediately. We are not. We are, however, watching the situation very carefully and if we find that the policy of decontrol is going to be defeated by the unnecessary load which is being put on the railways it will be necessary for us to take this matter up for active consideration.

As regards question of Railway priorities, the House will remember that the whole subject is now regulated by the Railway (Transport of Goods) Act, which the late Assembly, passed last year. That Act will come up again before the House for consideration. As far as I can express a personal view – I do not commit Government in any way - as far as I can express a personal opinion on this question, it is that it would be necessary for us to continue the control of Railway priorities, but I think it is up to us to take steps for regulating these priorities more in accordance with the opinion and the wishes of the trades concerned. At present, as you know, there is a Chief Controller of Priorities, who is assisted by various Regional Controllers. I am applying my mind to the question of providing these Regional Controllers with a small effective authoritative committee in each region, which will represent the best business opinion of that area.

I have been dealing with the immediate future, and I will repeat the statement with which I started, that we seem to be set for the time being, in the direction of gradual improvement. I want to go further and indicate to the House, so far as I can, what are the prospects for the 1948-49. The statements I would put before the House is this. Unless any untoward developments occur, I expect a marked improvement by March 1949. My reasons for saying so are these. I have told the House already that in view of a vast diversion of traffic that has been occurring recently, our line capacity and our marshalling capacity are being over-strained. As regards the line capacity, we have already taken in hand various schemes for doubling the

line capacity at various points of heavy congestion - Itarsi-Bhopal, Lucknow-Barelli, Cawnpore-Etawah, the Moradabad section and various other lines - Honourable Members will find a complete list of them in the explanatory memorandum. The point I wish to stress is this. We have set ourselves a target for completing these works by March 1949 and if we are able to do that, then it seems to me that we should be in a position to relieve congestion at some of the most important points on our railway system. The House is aware that a couple of months ago we reopened what used to be called the Dufferin Bridge, now called the Malaviya Bridge, which was regirded and has now been opened for double-line traffic. It is a very important gateway of railway communications in the U.P. and I think its doubling will make considerable difference to the movement of traffic.

With regard to the remodelling and the extension of marshalling yards, we have a number of schemes on hand all of which are expected to be completed by March 1949, - Ujjain, Lucknow, Cawnpore, Tundla, Gorakhpur and Arkonam and Tuticorin in the South – and I hope to take in hand soon the extension and remodelling of the station yard at New Delhi. If we are able to achieve our object and finish them by the end of 1948 – 49, then I expect there would be considerable relief.

Next I want to give some figures with regard to the additional rolling stock which we expect to get in the course of 1948 - 49.

The number of general service wagons, which are scheduled to be delivered by the manufacturers in India by the end of 1948, is 4050. In addition to that we expect that oil tank wagons of the order of about 150 will also be delivered by the end of 1948. Then we have placed an order in Canada for oil tank wagons, which are also expected to be delivered by March, 1949. There are other classes of wagons numbering about 177, all scheduled to be delivered by the end of 1949. It comes to a total of about 4,720 wagons. I am not so foolish as to think that in the present strained conditions in India regarding labour and material it would be possible for our manufacturers to deliver these things according to schedule. But I have strong reasons for thinking that at least half this number will be delivered. And if we are in a position to put on the lines at least two thousand additional wagons in the course of the next year it would make a perceptible improvement. Similarly we are expecting 146 new locomotives to be delivered in the course *of* 1948; and this together with the improvement which is noticeable in the workshop position must I think make a difference for the better as regards locomotives.

My third reason for being hopeful about 1948-49 is that the shipping position appears to show some improvement. If we are able in 1948-49 to divert to the sea route some of the heavy traffic from Calcutta to Bombay, which now goes by rail it, would I think very considerably ease the railway position. I have taken this matter up with my Honourable colleague the Minister for Commerce, and between us we expect to find some solution of this problem. The real point is that if you send a commodity like coal from Calcutta to Bombay you have to pay about Ro. 20 more by sea than you would by rail. Although we have increased our freights a good deal we still have in the railways today, I believe, the cheapest form of transport.

The last point to which I wish to refer is this. I make no dogmatic statement about it - nobody in the present circumstances can afford to do so - but all the indications that I see give me a feeling that there is something like a marked improvement in the prospects of the world food position. This break in prices that has now occurred in the United States is variously explained. I do not want to commit anybody. I do not want even to commit myself officially. But I cannot help thinking, from such authoritative reports as I have seen, that there is a feeling that the prospects of the next harvest in the United States are a good deal better than people expected a few weeks ago. That probably coupled with the possible cuts ill the Marshall plan may account for this break in prices. But supposing there is an improvement in the general food position and supposing correspondingly there is an improvement some time towards the end of 1948 in India, It seems to me that a very heavy load will have been lifted off the railways. I want to tell the House what I have felt very strongly for over a year. One of the biggest problems that the railways have had to face since the end of the war is this problem of moving over long distances large quantities of foodgrains from port to up - country, from surplus provinces to deficit provinces, and this along routes which are not equipped for coping with that traffic. If fortunately there is a general improvement in the food position, it seems to me that one of the most serious factors, which today are impending the railway traffic, will have been removed.

Having said all this I want to reaffirm what I said last November that in spite of these little indications of improvement I do not think that we shall be able to return to normal conditions in less than three years. And when I say ‘normal conditions’ what I mean is that if you ask me when our railways will be in a position to accept all the traffic that offers, I say we shall not reach that position in less, than three years.

I have been speaking of goods traffic; I want to say a word about passenger traffic. The great problem regarding passenger traffic today - and when you consider the question of amenities the problem that worries you most - is that of overcrowding. We have today, as far as we can estimate, more than twice the

number of passengers that we used to carry in 1938-39; but the amount of passenger train capacity that we are in a position to offer today is 14.5 per cent less than in 1938-39. That gives you straightaway in statistical terms the problem of overcrowding. I expect to see a little improvement and I want to tell the House why. It is one of the most interesting features of passenger traffic on our railways today that there is a steady decrease in the average distance traveled by third class passengers. If there is a steady decrease in the average distances traveled by passengers the inevitable result is that at any point of time you will find a steadily decreasing congestion. Take two points between which trains run. If between those points passengers travel over shorter distances, obviously at each point you will find that the amount of congestion in the train would correspondingly be less. I have been trying to understand why it is that there is this steady decrease in the average distances traveled by passengers, and the best explanation that I can give is that while there has been a very great increase in the habit of travel due to various reasons although the railways have not been able to provide an increase to anything like the extent required they have been able to provide some increase in facilities which is greater than that offered by road transport. The result therefore is that people who would ordinarily have traveled short distance by bus are now traveling by trains. And it seems to me, therefore, that until we are in a position to restore the bus position – during the war the extent to which bus traffic decreased was somewhere about one – third of what it was in 1939 – you are going to have a steady decrease in average distance traveled by passengers.

Apart from that in 1948-49 we expect to place on the lines somewhere about 700 to 800 new coaches; 350 of them are coaches that we have ordered and a little over 400 coaches would, I expect, be returned by the Defence Department to whom they have been loaned.

Another factor, which is going to react on overcrowding, is ticketless traveling. I told the House last time that the problem was particularly acute in the United Provinces; and in consultation with the Honourable Premier of the United Provinces we have started a scheme there, which consists of a considerable police force, and a considerable complement of special magistrate devoted entirely to the problem of ticketless travel. We have- put altogether 17 platoons of police and 34 railway magistrates, the whole cost of which will be borne by the railways. And with the cooperation of the Honourable Premier we have been able to start this on the 15th January; and the results that I have seen so far have been definitely encouraging. Similar arrangements are contemplated for West Bengal, for Bihar and for Assam. As I have told the House more than once, this problem of ticketless travel is much more than a railway problem; it is social problem. It is one of these things, which seem to reflect the gradual decline in the sense of law, which results when big political changes have occurred.

I was looking the other day into the report of the Madras Government Railway Police for 1947. It discloses the interesting fact that the number of cases that they had to handle in 1947 showed an increase of *90* per cent over 1946 and showed an increase of 130 per cent over the average of the previous five years. That, I think, would be equally true of other provinces.

I want to make a reference to the passenger guides that we have been appointing recently. I believe very strongly that conditions of third class railway traveling today provide an enormous scope for social service of the highest quality. I have instructed the railways in consultation with various recognised social service organisation to select people with the right training, the right spirit and the right outlook to take up this work. We have made a beginning on various railways and I am watching with some hope and, at the same time, with some anxiety how this arrangement will work. If it works successfully I think we shall have taken an important step towards tackling very urgent problem in the railways.

Lastly, I would like to make a reference to the Betterment Fund. Last year when I placed the railway budget before the old Assembly, there was a great deal of discussion as to what was the right object for expenditure from the Betterment Fund. My own feeling is, if one reads the papers with care, the primary purpose of the Betterment Fund is to provide expenditure which will result in an improvement in amenities for third class passengers and we are going to see now that such expenditure as we are in a position to provide from this Fund will hereafter be devoted in the main to this problem of amenities. That brings me to end and of this problem of traffic generally.

There are just one or two matters to which I would like to refer before I sit down. I said last time that we were going to set up a Railway Rates Tribunal and that I would have it put into force by the 1st of April. On examination it is found that unless this tribunal is vested with statutory authority it will not be able to function in the way in which we intend it to and for that purpose, therefore - I thought originally that it could be done by executive order - we are going to place a Bill before this House in the course of the session to set up a tribunal on these lines, that is to say, With a much wider scope than the present Rates Advisory Committee and with a mandatory and not merely an advisory jurisdiction, I hope with the co-operation of the House it will be possible for us to put it in operation at the earliest possible date.

With regard to the Railway Enquiry Committee, as I told the House in answer to a question, the Committee will begin to function in the course of a week or two Mr. Neogy, who with great ability set the lines on which the enquiry is to proceed, will now be replaced by my Honourable friend Pandit Hirday Nath Kunzru, who I am sure will bring to bear on this important work his unique knowledge and experience of public affairs. That covers more or less the range of subjects with which I want to deal.

There is just one thing more to which I want to refer before I resume my seat. In the remarks I have offered to the House this evening the note that I have tried to strike is what I might call a note of restrained or subdued optimism. I believe we are looking forward and we are moving forward, as far as the near future is concerned. I want to tell the House also from a study of such underlying forces as I have been able to perceive that I believe, in spite of the difficulties through which we are passing today, there is a great future before the Indian Railway. I believe also that that future will dawn within a definitely measurable period of time. I have many reasons for thinking that but one of my principle reasons is that we have a fine body of men operating our railways today. From the Chief Commissioner and the Railway Board down to the Railway Administration and from them to the humblest employees on our railways we have in the main, as fine a body of men as any country in the world today. I am saying that with a certain degree of assurance. It is my habit by reading journals dealing with transport matters in other countries to keep in touch with transport developments in those countries and this gives me a fair amount of assurance in making this statement to the House. My reason for raising this point is that in recent times, both in this House and outside, many allegations and charges have been leveled against our railway men in unqualified and widely generalised terms. It hurts me to hear these allegations and charges, because we are at present making a great and earnest effort to place increased responsibilities upon the people of our own country, our own kith and kin. At this stage if it is suggested by people holding responsible positions in the country that things are as bad as they are sometimes painted to be, it has an extremely discouraging effect upon the men and there are many of them who are trying to do their best to rise to the tasks of a new age. Honourable Members are no doubt aware of the special train that we ran the other day to convey the remains of the great leader of our people from this city of tragic memories to his final resting place, where the sacred rivers meet. In the preparations which were made for that special train I happened to be a good deal behind the scenes and I was in a position to observe not merely the enthusiasm, but the touching loyalty, the almost pathetic devotion, with which not merely the officers in the top position but the humblest gangmen laboured in order that this effort of the railways may be the unqualified success that it has proved to be. I mention this fact, because it is symbolical of the new spirit of responsibility which has been gradually spreading among our railwaymen ever since the day of Independence a slowly unfoldings sense of what is required of them in the changed conditions of today. There are black sheep, Sir, in every organisation. It is for responsible leaders, when they are inclined to make charges and allegations, to distinguish the few from the many and not to visit upon the many the sins of the few. I am speaking today as Minister of Railways responsible for this vast army of men who are operating our railways. I want therefore not merely as a matter of official convention but as an honest expression of what I think and feel, to pay a genuine, a warm, a very cordial tribute of appreciation and sympathy to India's railwaymen. For, remember, Sir, upon the shoulders of our railwaymen today rest as a difficult problem and as grave and heavy a burden as any by which we are faced in these disorder and turbulent times.

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